

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

## STATE OF HAWAII

1010 RICHARDS STREET  
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HONOLULU, HAWAII 96801

### PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON  
FORT STREET GALLERIA  
1117 Fort Street Mall  
Honolulu, Hawaii

REGISTRATION NO. 1463 (PARTIAL CONVERSION)

#### IMPORTANT — Read This Report Before Buying

#### **This Report Is Not an Approval or Disapproval of This Condominium Project**

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: December 7, 1981  
Expires: January 7, 1983

#### SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED OCTOBER 14, 1981, AND INFORMATION FILED AS OF DECEMBER 3, 1981. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. FORT STREET GALLERIA is a proposed fee simple condominium project consisting of retail and office apartments in one building containing ten stories plus a basement.

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Condominium Map will be filed in the Office of the Assistant Registrar of the Land Court immediately prior to the application for a Final Public Report.
4. No advertising or promotional materials have been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after issuance, December 7, 1981, unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is part of the registration of FORT STREET GALLERIA. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: FORT STREET GALLERIA.

LOCATION: The Project is located at 1117 Fort Street Mall, Honolulu, Hawaii and has a land area of 26,527 square feet.

TAX KEY: 2-1-10-21 (1st Tax Division - City and County of Honolulu).

ZONING: B-4 Commercial

DEVELOPER: FORT STREET ASSOCIATES, a California limited partnership, whose principal place of business and post office address in Hawaii is c/o Grubb & Ellis Commercial Brokerage Company (Attention: Don Clegg) 900 Fort Street Mall, Suite 960, Honolulu, Hawaii 96813 (telephone: (808) 531-4202). The General Partners of the Developer are Paul Klapper and Gloria Friedman.

ATTORNEYS REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Bernice Littman, Suite 1100, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808 (telephone: (808) 521-9200)).

DESCRIPTION OF PROJECT: The Project consists of one ten-story building plus a basement, constructed primarily of steel frame and reinforced concrete, with masonry walls and terra cotta finish on the lower three floors.

The basement contains: Retail Apartments B01 and B02 and the Basement level of the Elevator Apartment; common elements including an atrium with a garden court open to the sky, elevator pits, mechanical and electrical room, trash room, and janitor's room; limited common elements including corridors, escalators to the first floor, men's and women's rooms.

The First Floor contains: Retail Apartments 101, 102 and 103 and the First Floor level of the Elevator Apartment; common elements including an atrium open to the garden court below, a service elevator, two exit staircases with access to the exterior and an outside area into which one of the exit staircases leads; and limited common elements including four passenger elevators, an arcade with rolling grille gateways at each end, corridors and an escalator to the Basement.

The Second Floor contains: Office Apartments 201 and 202 and the Second Floor level of the Elevator Apartment; common elements including a service elevator, two exit staircases, janitor's room and trash chute and utility area; and limited common elements including four passenger elevators, corridors and men's and women's rooms.

The Third Floor contains: Office Apartments 301, 302, 303, 304 and the Third Floor portion of the Elevator Apartment; common elements including a service elevator, two exit staircases, janitor's room, trash chute and utility area; and limited common elements including four passenger elevators, corridors, men's and women's rooms, a roof garden appurtenant to Office Apartment 303 and a second roof garden appurtenant to Office Apartments 302 and 304.

The Fourth Floor contains: Office Apartments 401 and 402; common elements including a service elevator, two exit staircases, janitor's room, trash chute and utility area; limited common elements including four passenger elevators, corridors and men's and women's rooms and a roof garden appurtenant to Apartment 402.

Each of the Fifth through Tenth Floors contains two Office Apartments numbered 501 and 502 through 1001 and 1002. In the "01" apartments the floors grow progressively smaller in a step formation. Each floor contains common elements including two exit stairways; and limited common elements

including four passenger elevators, elevator lobbies, corridors and men's and women's rooms.

Each of the Apartments consists of a single room, except that the Elevator Apartment is an elevator which extends from the Basement to the Third Floor. The approximate floor area of each apartment and its percentage of common interest is as follows:

<u>APT.</u>	<u>APT. NET</u>	<u>ROOF GARDEN</u>	<u>RATIO APT. TO TOTAL AREA</u>	<u>RATIO RETAIL APTS TO TOTAL RETAIL</u>	<u>RATIO OFFICE APTS TO TOTAL OFFICE</u>
B01	8204	----	6.34%	26.94%	
B02	8380	----	6.47%	27.51%	
101	1880	----	1.45%	6.17%	
102	7670	----	5.92%	25.18%	
103	4324	----	3.34%	14.20%	
201	8256	----	6.38%		8.34%
202	10020	----	7.74%		10.12%
301	8182	----	6.32%		8.26%
302	5180	2570	4.40%		5.75%
303	766	860	.72%		0.95%
304	383	----	.30%		0.39%
305	176	----	.15%		0.18%
401	7312	320	5.65%		7.45%
402	4824	----	3.73%		4.87%
501	2660	----	2.05%		2.69%
502	6590	----	5.09%		6.65%
601	2506	----	1.94%		2.53%
602	6590	----	5.09%		6.65%
701	2352	----	1.82%		2.38%
702	6590	----	5.09%		6.65%
801	2198	----	1.70%		2.22%
802	6590	----	5.09%		6.65%
901	2044	----	1.58%		2.06%
902	6590	----	5.09%		6.65%
1001	1890	----	1.46%		1.91%
1002	6590	----	5.09%		6.65%

COMMON ELEMENTS: The common elements will include the limited common elements described below, and all portions of the Project, other than the apartments, including, specifically, but not limited to, all of the land submitted to the Horizontal Property Regime, the common elements mentioned in the Horizontal Property Act which are actually constructed on the land, and all other portions of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and which are not included as part of an apartment, including, but not limited to:

a. The Land.

b. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter walls, load-bearing walls and roofs.

c. All yards and refuse facilities.

d. All ducts, electrical equipment, wiring, pipes and other central appurtenant transmission facilities over, under and across the Project which serve more than one Apartment for services such as power, light, water, sewer and telephone.

e. The two exit staircases, four passenger elevators and one service elevator.

f. The janitor's rooms, trash rooms, pump room and mechanical rooms.

g. Any and all other appurtenant installations of common use and all other parts of the Project necessary and convenient to its existence, maintenance and safety or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements are described as follows:

a. The corridors, men's and women's rooms in the Basement, and the corridors, the arcade and rolling grille gateways at each end on the First Floor and the escalators connecting the Basement and First Floor, are appurtenant to the Retail Apartments on the Basement and Ground Floors.

b. The corridors and men's and women's rooms on the Second Floor are appurtenant to the Office Apartments on the Second Floor.

c. The corridors, elevator lobby and men's and women's rooms on the Third Floor are appurtenant to the Office Apartments on the Third Floor.

d. The roof garden on the Third Floor, designated 303 on the Condominium Map, is appurtenant to Apartment 303.

e. The roof garden on the Third Floor, designated 302 on the Condominium Map, is appurtenant to Apartment 302.

f. The roof garden adjacent to Apartment 401 on the Fourth Floor is appurtenant to Apartment 401.

g. The corridors, elevator lobbies and men's and women's rooms on the Fourth Floor are appurtenant to Apartments 401 and 402.

h. The corridor, elevator lobby and men's and women's rooms on each of the Fifth through Tenth Floors are appurtenant to the Apartments on the same floor.

i. The passenger elevators are appurtenant to the Office Apartments.

j. The foundations, walls, unfinished perimeter walls, load-bearing walls, floor slabs, roofs, exit staircases, service elevator and structural components of the Basement through Fourth Floors (excluding the structural elements which support the Fifth through Tenth Floors), are limited common elements appurtenant to the Apartments in the Basement through Fourth Floors.

k. The foundations, columns, girders, beams, supports, unfinished perimeter walls, exit staircases, load-bearing walls, and roofs supporting or located in the Fifth through Tenth Floors are appurtenant to the Apartments in the Fifth through Tenth Floors.

The limited common elements described in subsection a are referred to in the Declaration and Bylaws as Retail Elements. The limited common elements described in subsections b through i are referred to in the Declaration and Bylaws as Office Elements.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The apartments have the percentage common interests in the common elements, Retail elements and Office elements of the Project as set forth under "Description of Project" hereinabove. Each apartment shall have the same percentage interest in all common profits and expenses of the Project and for all other purposes, including voting.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The Apartments in the Basement and on the First Floor are called Retail Apartments. The Apartments on the Second through Tenth Floors are called Office Apartments. The Apartments may be used for any retail, office or commercial purpose permitted by applicable laws and ordinances, subject to the provisions of this paragraph, but may not be used for any residential or hotel purpose. The Elevator Apartment shall be used as an elevator and for no other purpose. The Developer reserves the right in the Apartment Deed for any Retail Apartment to place further restrictions on the use of the Apartment for the benefit of the other Retail Apartment Owners to preserve a mix of uses. No Apartment may be used for any purpose which causes an offensive emanation from the Apartment into the common elements or limited common elements. Offensive emanations include, without limitation, fumes, smoke, loud noises, music and flashing or excessively brilliant lights.

The use provisions of the Declaration include provisions for flexibility in alteration of Apartments and consolidation and subdivision of Apartments.

OWNERSHIP OF TITLE: A Preliminary Title Report dated November 20, 1981, issued by Security Title Corporation, states that fee simple title to the land is held by Developer.

ENCUMBRANCES: Said Preliminary Title Report dated November 20, 1981, states that the title to the property is subject to the following encumbrances:

1. For any taxes that may be due and owing and a lien on the land, reference is made to the Office of the Tax Assessor of the First Division, Island of Oahu, Hawaii.

2. Improvement District Assessment No. 206-Fort Street Assessment Lot 9-Balance 16,413.44.

3. Covenants in deed dated March 11, 1902 recorded in Book 234, Page 184.

4. License for underground right-of-way for a conduit dated December 31, 1930 filed as Land Court Document No. 23884.

5. Memorandum of Lease dated October 19, 1981 between Kress Fort Street, Inc. as Lessor and Genesco, Inc. as Lessee for a term ending March 31, 1989 filed as Land Court Document No. 1091679.

6. Mortgage dated November 17, 1981 in favor of Equibank, a Pennsylvania bank and trust filed as Land Court Document No. 1094314.

The Developer has advised the Commission that the Mortgage listed as encumbrance 6 will be released as to any apartment conveyed, prior to the first conveyance.

PURCHASE MONEY HANDLING: A copy of a specimen Deposit Receipt and Sales Contract (the "Sales Contract") and an executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated November 24, 1981, identifies Security Title Corporation as the "Escrowee." Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-37, 39, 40 and 63 through 66. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement.

Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, without interest if any one of the following has occurred:

(a) The Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held under the Escrow Agreement by Escrow; or

(b) With respect to a purchaser whose funds were

obtained prior to the issuance of the Final Report, there shall have been a change in the building plans, subsequent to the execution of the purchaser's Sales Contract, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the Sales Contract or unless the purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the apartment or the purchaser has first occupied the apartment; or

(c) The Final Report differs in a material respect from the Preliminary Report, unless the purchaser has given written approval or acceptance of the difference; or

(d) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund; or

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (b), (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of \$25.00 per apartment) and thereupon said Sales Contract and any conveyance document theretofore delivered to Escrow shall be returned to the Developer and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by the Developer of written notice from Escrow of its intent to make such refund.

The Sales Contract, among other things, contains acknowledgments by each purchaser: (i) that the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the Project other than apartments owned by the Developer upon completion of the Project, if any; (ii) that the purchaser must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, (except possible tax benefits) to be derived from the purchase of an apartment in the Project; (iv) that the purchaser acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; and (v) that the purchaser's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institutions to secure one or more loans for the purpose of constructing the Project.

MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the Project, subject at all times to direction by the Board of Directors.

Section 12, of the proposed Declaration states that the initial Managing Agent shall be Grubb and Ellis Commercial Brokerage Company, whose principal place of business and post office address is 900 Fort Street Mall, Suite 960, Honolulu, Hawaii. There is no executed management agreement at the present time.

The Bylaws provide in Article IV for the establishment of a Merchants Association and Merchants Board to administer the Retail Elements and assess the Retail expenses to the Retail Apartments. Only Retail Apartment Owners will be members of the Merchants Association. The Merchants Association will establish the Retail Rules and Regulations for the Retail elements.

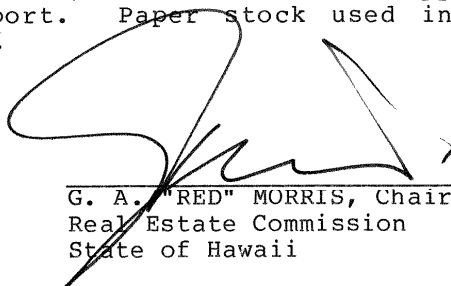
STATUS OF PROJECT: The Developer currently estimates that the renovation and construction of the Project will commence on or about May 1, 1982, and will be completed within 6 months from the date of commencement.

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The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted October 14, 1981 and information subsequently filed on December 3, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1463 filed with the Commission on October 14, 1981.

The report, when reproduced, shall be a true copy of the Commission's Public Report. Paper stock used in making facsimiles must be yellow.



G. A. "RED" MORRIS, Chairman  
Real Estate Commission  
State of Hawaii

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Escrow Agent

Registration No. 1463

December 7, 1981.